



Nebraska Liquid Asset Fund

Exclusively for School Districts,
Educational Service Units,
Community Colleges, Public Agencies and
Other Governmental Subdivisions

Annual Report

May 31, 2025

NLAF is sponsored by the:
Nebraska Council of School Administrators
Nebraska Association of School Boards

NEBRASKA
LIQUID
ASSET FUND

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This information is for institutional investor use only, not for further distribution to retail investors, and does not represent an offer to sell or a solicitation of an offer to buy or sell any fund or other security. Investors should consider the Fund’s investment objectives, risks, charges and expenses before investing in the Fund. This and other information about the Fund is available in the Fund’s current Information Statement, which should be read carefully before investing. A copy of the Fund’s Information Statement may be obtained by calling 1-877-667-3523 or is available on the Fund’s website at www.nlafpool.org. While the Fund seeks to maintain a stable net asset value of \$1.00 per share, it is possible to lose money investing in the Fund. An investment in local government investment pools, such as the Fund, are not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency. Investments in a local government investment pool are subject to liquidity risk, which may impact the pool’s ability to sell investments in a timely fashion or at near face value in order to fulfill a participant’s redemption request. Such investments are also subject to market risk, issuer risk, and default risk. Participants may lose money by investing in a local government investment pool, such as the Fund. Shares of the Fund are distributed by U.S. Bancorp Investments, Inc., member Financial Industry Regulatory Authority (FINRA) (www.finra.org) and Securities Investor Protection Corporation (SIPC) (www.sipc.org). PFM Asset Management is a division of U.S. Bancorp Asset Management, Inc. which serves as administrator and investment advisor to the Fund. U.S. Bancorp Asset Management, Inc. is a direct subsidiary of U.S. Bank N.A. and an indirect subsidiary of U.S. Bancorp. U.S. Bancorp Investments, Inc. is a subsidiary of U.S. Bancorp and affiliate of U.S. Bank N.A.

Report of Independent Auditors

To the Board of Trustees of the Nebraska Liquid Asset Fund

Opinion

We have audited the financial statements of the Nebraska Liquid Asset Fund (the Fund), which comprise the statement of net position as of May 31, 2025, and the related statement of changes in net position for the year then ended, and the related notes to the financial statements, which collectively comprise the Fund's basic financial statements.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the financial position of the Fund at May 31, 2025, and the changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Fund and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free of material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Fund's ability to continue as a going concern for 12 months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Fund's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, which considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the schedule of investments but does not include the basic financial statements and our auditor's report thereon. Our opinion on the basic financial statements does not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Ernst & Young LLP

Philadelphia, Pennsylvania
September 8, 2025

Management's Discussion and Analysis

We are pleased to present the Annual Report for the Nebraska Liquid Asset Fund (the Fund) for the year ended May 31, 2025. Management's Discussion and Analysis is designed to focus the reader on significant financial items and provides an overview of the Fund's financial statements for the year ended May 31, 2025.

Economic Update

A "higher for longer" narrative from the Federal Reserve (the Fed) persisted in the first half of calendar year 2024, based on "sticky" inflation and continuing economic strength. As the Fed's September 2024 meeting came into focus, market sentiment reflected cooling in the labor market and many measures of inflation reaching multi-year lows. As a result, the Fed cut the federal funds target rate by 50 basis points (bps) to a new range of 4.75% - 5.00% at its September Federal Open Market Committee (FOMC) meeting and added two subsequent cuts of 25 bps in November and December. Despite the 100 bps (in total) of rate cuts and historically high levels of bond volatility, the yield on the 2-Year U.S. Treasury ended 2024 at 4.25%, right where it started the year. Along with the expectation for lower short-term yields over the next several years, the curve disinverted and the 10-Year U.S. Treasury outyielded the two-year maturity for the first time since mid-2022.

With the start of 2025, progress towards the Fed's goal of 2% inflation stalled with expectations of additional goods inflation due to rising tariffs, while producer prices declined as businesses absorbed tariff costs to retain customers. However, the uncertainty surrounding tariff implications continues to dominate market sentiment and the potential for higher price pressure looms.

Inflation, as measured by the year-over-year change in the Consumer Price Index (CPI), continues to trend down from its June 2022 peak of 9.0%. The CPI downtrend stalled from June 2023 to June 2024 between 3 and 4% due to a myriad of factors including stickier services inflation and global geopolitical tensions.

From June 2024 through the beginning of 2025, stubborn inflation remained the theme as CPI was impacted most notably by volatile energy prices. When stripping out food and energy prices, flatlining price progress through 2H 2024 shifted in March 2025 as components of services inflation led the index to its lowest level in four years. Despite the inflation progress, markets remain focused on looming, but uncertain tariff pressures.

The labor market continued to show exceptional strength as the unemployment rate has remained at or near 4% for over three years. During FY 2023-24, an average of 185,000 new jobs were added per month, which dropped to 144,000 new jobs per month in FY 2024-25. The strength in the labor market has resulted in wages continuing to increase at a pace greater than most inflation metrics, with average hourly earnings growing 3.9% on a year-over-year basis as of March 31, 2025.

However, the job market has started to come into better balance as the number of unfilled job openings declined to the lowest level since February 2021 in September and has hovered around the same level since. The worker-demand gap, a measure of the number of jobs per unemployed worker, continues to fall from elevated levels during the pandemic.

At the same time, strong consumer spending contributed to U.S. domestic production defying expectations. Growth showed signs of slowing in Q1 2024, with the annualized quarterly GDP increase declining to 1.6%, but picked back up to 3.0% in Q2 and 3.1% in Q3 2024 before dipping slightly to 2.5% in Q4. Overall, real GDP grew by an average of 2.5% during calendar year 2024, staying above the Fed's long-term expectation of 1.8%. The Q1 2025 gross domestic product (GDP) release of -0.2% was the first negative growth in three years. The negative release was significantly impacted from the net exports component, which contributed -4.9% to the bottom line for the quarter as imports surged ahead of the potential tariff impact. While this trend is not expected to continue, Fed projections call for sub 2% GDP for 2025, 2026, and 2027.

Short-term rates remained elevated, though the yield on the 3-month U.S. Treasury Bill closed below 5% for the first time (in September) since mid-April 2023. This level continues to create potential opportunities for short-term investors to earn the highest yields in more than two decades. Meanwhile, the 2-year U.S. Treasury ended the fiscal year nearly 100 bps lower. Underscoring elevated bond volatility during the year, the range of yields on the benchmark tenor was 135 bps, including a closing low of 3.54% in September and a high of 4.89% in June.

A fluctuating economic backdrop resulted in significant changes in market expectations for the timing and number of rate cuts in 2024. At the start of the year, the market was pricing in five or six rate cuts with the first cut in March. Only three cuts were made, with the Fed Funds Rate ending the year 100 bps lower at 4.25%-4.50%. The Fed's updated “dot plot” implied 50 bps of rate cuts through 2025 and another 50 bps in 2026, implying a target range of 3.25%-3.50% by the beginning of 2027.

Portfolio Strategy

The NLAF Portfolio was strategically positioned with a modestly longer maturity profile to begin the fiscal year. This approach was designed to capture value for the Portfolio as the federal funds rate began the period in the 5.25-5.50% range - a peak for this interest rate cycle. This strategy benefited the portfolio as the FOMC cut rates aggressively at the end of 2024. During the first half of 2025, the Federal Reserve took a more patient approach to further interest rate adjustments, as they assessed how new policies out of Washington may impact our economy and the ultimate path of interest rates. During this period of interest rate uncertainty, we maintained a balanced approach to portfolio positioning. This strategy included (1) an emphasis on repurchase agreements to fulfill near term liquidity needs, (2) floating rate securities to capture attractive current yields while the Fed waited on incoming economic data, and (3) 6-12 month fixed rate securities that may help insulate the portfolio from interest rate cuts that the FOMC has signaled may materialize in the coming quarters.

We believe this strategy enabled us to continue to meet our core objectives of (1) Safety, (2) Liquidity, and (3) Yield during a period that was marked by uncertainty in markets. The Portfolio enters the new fiscal year with an investment strategy that continues to be balanced amid this uncertainty. We believe the Portfolio remains well-positioned and flexible enough to adapt should market conditions change. We will continue to closely monitor the outlook for inflation, unemployment, and overall economic growth as these factors will drive the path of monetary policy and short-term interest rates. As always, our primary goals are to protect the net asset value of the Portfolio and to provide liquidity for investors. We will continue to focus on these objectives while also seeking to maximize investment yields in a prudent manner.

Financial Statement Overview

The financial statements for the Fund include a Statement of Net Position and a Statement of Changes in Net Position. These financial statements are supported by the Notes to Financial Statements. In addition, a Schedule of Investments for the Fund is included as unaudited Other Information following the Notes to Financial Statements.

Condensed Financial Information and Analysis

Statement of Net Position: The Statement of Net Position presents the financial position of the Fund as of May 31, 2025 and includes all assets and liabilities of the Fund. Total assets of the Fund fluctuate as investable assets rise and fall when capital shares are issued and redeemed. The difference between total assets and total liabilities, which is equal to the investors’ interest in the Fund’s net position, is shown below for the current and prior fiscal year-end dates:

	May 31, 2025	May 31, 2024
Total Assets	\$1,055,746,318	\$ 911,346,721
Total Liabilities	(58,544,739)	(338,453)
Net Position	\$ 997,201,579	\$ 911,008,268

The increase in total assets of the Fund is primarily due to a \$132,233,071 increase in investments and \$12,252,100 increase in cash and cash equivalents. The cash and cash equivalents as of May 31, 2025 includes \$29,000,000 of bank time deposits yielding 4.40%-4.43%, which were classified as cash equivalents since they are available on demand with one-day notice. The bulk of the remainder of the Fund’s current year cash and cash equivalents, as well as the bulk of the increase in total liabilities, is mainly due to \$58,215,539 of subscriptions received in advance, which are funds received at the custodian bank prior to the proper notice required to invest them and issue shares. The amount of any subscriptions received in advance will vary depending upon transactions occurring on a given day.

Statement of Changes in Net Position: The Statement of Changes in Net Position presents the Fund’s activity for the year ended May 31, 2025. The changes in the Fund’s net position for the year primarily relate to the net capital shares issued and the net investment income during the year. The investment income of the Fund is driven by a combination of the amount of investable assets and the general short-term interest rate environment that impacts the

yields on investments the Fund can purchase. Realized gains or losses on sale of investments occur whenever investments are sold for more or less than their carrying value. Activity within the Fund is outlined below for the current and prior fiscal years:

	Year Ended	
	May 31, 2025	May 31, 2024
Investment Income	\$ 39,084,085	\$ 40,063,411
Net Expenses	(2,986,664)	(2,808,297)
Net Investment Income	36,097,421	37,255,114
Net Realized Gain on Sale of Investments	7,085	7,578
Net Capital Shares Issued	50,088,805	61,165,923
Change in Net Position	\$ 86,193,311	\$ 98,428,615

The Fund's net position increased approximately 9% year-over-year, which is primarily related to net capital shares issued as reflected above. Its average net assets increased approximately 8% year-over-year. While investable assets increased, the Fed implemented three rate cuts totaling 100 basis points by year-end, bringing the federal funds target range to 4.25%–4.50%, compared to a 25 basis point increase in the prior fiscal year. These changes in short-term rates were the primary factor for investment income decreasing approximately from the prior fiscal year despite the increase in net assets. A significant portion of the Fund's gross expenses are calculated as a percentage of average assets, and as such, gross expenses increased approximately 8% from prior fiscal year in line with the increase in average net assets. Reimbursements of previously waived management and consulting fees occurred through the duration of the prior fiscal year and ended in the second half of the current fiscal year, when all such recoverable waivers were fully reimbursed.

The total return of the Fund for the year ended May 31, 2025 was 4.57%, down from 5.14% for the year ended May 31, 2024. Select financial highlights for the Fund for the current fiscal year, as compared to the prior fiscal year, are as follows:

	Year Ended	
	May 31, 2025	May 31, 2024
Ratio of Net Investment Income to Average Net Assets	4.49%	5.01%
Ratio of Net Investment Income to Average Net Assets, Before Fees Reimbursed and Expenses Paid Indirectly	4.53%	5.06%
Ratio of Expenses to Average Net Assets	0.37%	0.38%
Ratio of Expenses to Average Net Assets, Before Fees Reimbursed and Expenses Paid Indirectly	0.33%	0.33%

The Fund's ratio of net investment income to average net assets, both before and after factoring in fees reimbursed and expenses paid indirectly, decreased year-over-year. This decline is primarily attributed to the decline in interest rates as previously noted. The impact of reimbursements of previously waived management and consulting fees, which ended in the second half of fiscal year 2025, on the ratio of net investment income and expenses to average net assets was 0.04% in the current fiscal year compared to 0.05% for the prior fiscal year.

Statement of Net Position

May 31, 2025

Assets	
Investments	\$ 964,916,627
Cash and Cash Equivalents ⁽¹⁾	87,554,828
Interest Receivable	3,264,142
Prepaid Expenses	10,721
<i>Total Assets</i>	<u>1,055,746,318</u>
Liabilities	
Subscriptions Received in Advance	58,215,539
Redemptions Payable	19,689
Investment Advisory and Administration Fees Payable	199,916
Consulting Fees Payable	47,980
Banking Fees Payable	15,992
Legal Fees Payable	4,500
Audit Fees Payable	32,860
Other Expenses Payable	8,263
<i>Total Liabilities</i>	<u>58,544,739</u>
Net Position	
(applicable to 997,201,579 outstanding shares of beneficial interest; unlimited authorization; no par value; equivalent to \$1.00 per share)	\$ 997,201,579

⁽¹⁾ Includes cash and bank time deposit accounts which are subject to a one-day put. Guaranteed by Federal Home Loan Bank letters of credit.

Statement of Changes in Net Position

For the Year Ended May 31, 2025

Income	
Investment Income	\$ 39,084,085
Expenses	
Investment Advisory and Administration Fees	2,009,898
Consulting Fees	482,376
Banking Fees	64,199
Legal Fees	52,713
Audit Fees	32,989
Other Expenses	21,171
<i>Total Expenses</i>	<u>2,663,346</u>
Investment Advisory and Administration Fees Reimbursed	262,626
Consulting Fees Reimbursed	65,160
Expenses Paid Indirectly	(4,468)
<i>Net Expenses</i>	<u>2,986,664</u>
Net Investment Income	36,097,421
Other Income	
Net Realized Gain on Sale of Investments	7,085
Net Increase from Investment Operations Before Capital Transactions	36,104,506
Capital Shares Issued	1,106,948,780
Capital Shares Redeemed	(1,056,859,975)
Change in Net Position	86,193,311
Net Position – Beginning of Year	911,008,268
Net Position – End of Year	<u>\$ 997,201,579</u>

The accompanying notes are an integral part of this financial statement.

Notes to Financial Statements

A. Organization and Reporting Entity

The Nebraska Liquid Asset Fund (the Fund) was established on March 23, 1988 as the Nebraska School District Liquid Asset Fund Plus, pursuant to the Interlocal Cooperation Act and Article XV, Section 18 of the Nebraska State Constitution. Under its original Declaration of Trust and Interlocal Agreement (Declaration of Trust) establishing the Fund, shares of the Fund were offered exclusively to Nebraska school districts, educational service units and technical community colleges. The Declaration of Trust was amended, restated and readopted effective February 5, 2008, to change the name of the Fund to Nebraska Liquid Asset Fund and to expand the authorized Participants of the Fund to add Nebraska public agencies and other political subdivisions. The objective of the Fund is to provide a high yield for the Participants while maintaining liquidity and preserving capital by investing only in instruments permitted by Nebraska law. The Fund commenced operations on May 27, 1988.

An objective of the Fund is to maintain a net asset value of \$1 per share, but there can be no assurance that the net asset value will not vary from \$1. Shares are issued and redeemed at the net asset value per share next determined after receipt of a request. The Fund has not provided or obtained any legally binding guarantees to support the value of the shares. All participation in the Fund is voluntary. The Fund is not required to register as an investment company with the Securities & Exchange Commission (SEC).

The Fund's financial statements presented within this Annual Report have been prepared in conformity with the reporting framework prescribed by the Governmental Accounting Standards Board (GASB) for local government investment pools.

B. Summary of Significant Accounting Policies

The following is a summary of significant accounting policies followed by the Fund in preparation of its financial statements.

Measurement Focus and Basis of Accounting

The Fund reports transactions and balances using the economic resources management focus and the accrual basis of accounting. Under this method, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred.

Cash and Cash Equivalents

The Fund reflects cash on deposit in bank accounts which is available within one business day as cash and cash equivalents. Certificates of deposit are disclosed separately as investments in the financial statements.

Valuation of Investments

In accordance with the authoritative guidance on fair value measurements and disclosures under GASB Statement No. 72, as amended, the Fund discloses the fair value of its investments in a hierarchy that prioritizes the inputs to valuation techniques used to measure the fair value. The hierarchy gives the highest priority to valuations based upon unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to valuations based upon unobservable inputs that are significant to the valuation (Level 3 measurements). The guidance establishes three levels of the fair value hierarchy as follows:

Level 1 – Quoted prices in active markets for identical assets.

Level 2 – Inputs other than quoted prices that are observable for the asset, including quoted prices for similar investments based on interest rates, credit risk and like factors.

Level 3 – Unobservable inputs for the assets, including the Fund's own assumptions for determining fair value.

The Fund's investments are assigned a level based upon the observability of the inputs which are significant to the overall valuation. In accordance with GASB Statement No. 79, securities held by the Fund are valued at amortized cost, which approximates fair value. GASB Statement No. 79 requires a comparison of the Fund's investments on an amortized cost basis to fair values determined on a market value basis at least monthly. The market prices used to determine fair values in this comparison are generally derived from closing bid prices as of the last business day of the month as supplied by third-party pricing services. Third-party pricing services may also use matrix pricing or valuation models that utilize certain inputs and assumptions to derive values such as recent transaction data, market

data, credit quality, perceived market movements, news or other relevant information. If independent prices are unavailable or unreliable, the Fund's adviser will determine market values using pricing methodologies which consider similar factors that would be used by third-party pricing services. The inputs or methodology used for valuing securities are not necessarily an indication of the risk associated with investing in those securities. Since the value is not obtained from a quoted price in an active market, all securities held by the Fund as of May 31, 2025 are categorized as Level 2.

Investment Transactions

Security transactions are accounted for on the trade date (date the order to buy or sell is executed). Costs used in determining realized gains and losses on the sale of investment securities are those of specific securities sold. Interest income is recorded using the accrual method. Discounts and premiums are accreted and amortized, respectively, to interest income over the lives of the respective securities.

Repurchase Agreements

Repurchase agreements entered into with broker-dealers are secured by government or agency obligations. The Fund's custodian takes possession of the collateral pledged for investments in repurchase agreements. The Fund also enters into tri-party repurchase agreements. Collateral pledged for tri-party repurchase agreements is held for the Fund by an independent third-party custodian bank until the maturity of the repurchase agreement. Repurchase agreements are collateralized at 102% of the obligation's principal and interest value. In the event of default on the obligation to repurchase, the Fund has the right to liquidate the collateral and apply the proceeds in satisfaction of the obligation. If the seller defaults and the value of the collateral declines, realization of the value of the obligation by the Fund may be delayed. In the event of default or bankruptcy by the other party to the agreement, realization and/or retention of the collateral may be subject to delays from legal proceedings.

Share Valuation and Participant Transactions

The net asset value (NAV) per share of the Nebraska Liquid Asset Fund is calculated as of the close of each business day by dividing the net position of the Fund by the number of outstanding shares. It is the Fund's objective to maintain a NAV of \$1.00 per share; however, there is no assurance that this objective will be achieved. The exact price for share transactions will be determined based on the NAV next calculated after receipt of a properly executed order. The number of shares purchased or redeemed will be determined by the NAV.

Dividends and Distributions

On a daily basis, the Fund declares dividends and distributions from its net investment income and net realized gains or losses from securities transactions, if any. Such dividends and distributions are payable to investors of record at the time of the previous computation of the Fund's net asset value and are distributed to each investor's account by purchase of additional shares of the Fund on the last business day of each month. For the year ended May 31, 2025, the Fund distributed dividends totaling \$36,104,506.

Redemption Restrictions

Shares of the Fund are available to be redeemed upon proper notice without restrictions under normal operating conditions. There are no limits to the number of redemptions that can be made as long as an investor has a sufficient number of shares to meet their redemption request. The Fund's Board of Trustees may temporarily suspend the right of withdrawal or postpone the date of payment of redemption proceeds for the whole or any part of any period: (1) during which there shall have occurred any state of war, national emergency, banking moratorium or suspension of payments by banks in the State of Nebraska or any general suspension of trading or limitation or prices on the New York or American Stock Exchange or (2) during which any financial emergency situation exists as a result of which disposal by the Fund of fund property is not reasonably practicable because of the substantial losses which might be incurred or it is not reasonably practicable for the Fund to determine the value of its net assets.

Use of Estimates

The preparation of financial statements in accordance with U.S. generally accepted accounting principles (GAAP) requires management to make estimates and assumptions that affect the reported amounts and disclosures in the financial statements and the reported amounts of revenues and expenses during the period. Actual results could differ from those estimates.

Income Tax Status

The Fund is not subject to Federal or State income tax upon the income realized by it. Accordingly, no provision for income taxes is required in the Fund's financial statements.

Representations and Indemnifications

In the normal course of business, the Fund may enter into contracts that contain a variety of representations which provide general indemnifications. The Fund's maximum exposure under these arrangements is unknown as this would involve future claims that may be made against the Fund that have not yet occurred. However, based on experience, the Fund expects the risk of loss to be remote.

Subsequent Events Evaluation

The Fund has evaluated subsequent events through September 8, 2025, the date through which procedures were performed to prepare the financial statements for issuance. No events have taken place that meet the definition of a subsequent event requiring adjustment or disclosure in these financial statements.

C. Investment Risks

Under GASB Statement No. 40, as amended, State and Local governments and other municipal entities are required to disclose credit risk, concentration of credit risk, and interest rate risk for investment portfolios. The following risk disclosures of the Fund as of May 31, 2025 have been provided for the information of the Fund's investors.

Credit Risk

The Fund's investment policy, as outlined in its Information Statement, limits the Fund's investments to certain fixed income instruments which school entities are permitted to invest in under Nebraska law.

As of May 31, 2025, the Fund's investment portfolio was comprised of investments which were, in aggregate, rated by S&P Global Ratings (S&P) as follows:

S&P Rating	%
AA+	79.88%
A-1+	1.02%
Exempt ⁽¹⁾	19.10%

(1) Represents investments in U.S. Treasury obligations, which are not considered to be subject to overall credit risk per GASB.

The ratings of the investments in the preceding table include the ratings of collateral underlying repurchase agreements in effect as of May 31, 2025. Securities with a long-term rating of A or higher are equivalent to the highest short-term rating category based on S&P rating methodology.

Concentration of Credit Risk

As outlined in the Fund's Information Statement, the Fund's investment policy establishes certain restrictions on investments and limitations on portfolio composition. As of May 31, 2025, the Fund included the following issuers, aggregated by affiliated issuers where applicable, which individually represented greater than 5% of the Fund's total investment portfolio:

Issuer	%
BNP Paribas ⁽¹⁾	12.51%
BofA Securities, Inc. ⁽¹⁾	14.33%
Freddie Mac	6.43%
Federal Farm Credit Bank	15.07%
Federal Home Loan Bank	18.53%
Goldman Sachs & Company ⁽¹⁾	5.18%
Toronto Dominion Bank ⁽¹⁾	12.00%
U.S. Treasury	10.49%

(1) These issuers are also counterparty to repurchase agreements entered into by the Fund. These repurchase agreements are collateralized by U.S. government and agency obligations.

Interest Rate Risk

The Fund's investment policies limit its exposure to market value fluctuations due to changes in interest rates by requiring that it maintain a dollar-weighted average maturity of not greater than 60 days. As of May 31, 2025, the weighted average maturity of the Fund's portfolio, including cash and cash equivalents, was 42 days. The range of yields, actual maturity dates, principal values, fair values and weighted average maturities of the types of investments the Fund held as of May 31, 2025 are as follows:

Type of Deposits and Investments	Yield-to-Maturity Range	Maturity Range	Principal	Fair Value	Weighted Average Maturity
Cash and Cash Equivalents	n/a	n/a	\$ 87,554,828	\$ 87,554,828	1 Day
Government Agency and Instrumentality Obligations:					
Agency Discount Notes	4.29%	9/24/25	10,000,000	9,864,811	116 Days
Agency Notes	3.98%-4.80%	6/9/25-11/6/26	396,317,000	395,010,621	60 Days
U.S. Treasury Bills	4.25%	11/28/25	10,000,000	9,792,000	181 Days
U.S. Treasury Notes	4.04%-4.55%	10/31/25-5/31/26	92,000,000	91,449,195	175 Days
Repurchase Agreements	4.30%-4.36%	6/2/25-9/10/25	458,800,000	458,800,000	3 Days
			<u>\$1,054,671,828</u>	<u>\$ 1,052,471,455</u>	

The yields shown in the preceding table represent the yield-to-maturity at original cost except for adjustable-rate instruments, for which the rate shown is the coupon rate in effect as of May 31, 2025. The weighted average maturities shown in the preceding table are calculated based on the stated maturity dates with the following exceptions: (1) floating or variable rate securities are assumed to have an effective maturity of the date upon which the security's interest rate next resets; (2) the effective maturity of callable securities is assumed to be its stated maturity unless the security had been called as of the reporting date, in which case the effective maturity would be assumed to be its called date; (3) for instruments subject to demand features, the effective maturity is assumed to be the period remaining until the principal amount of the instrument may be recovered through the demand features; and (4) the effective maturity of cash and cash equivalents is assumed to be one day. Refer to the Schedule of Investments included in the unaudited Other Information that follows for further information.

D. Fees and Charges

Investment Advisory, Administration and Marketing Fees

PFM Asset Management LLC (PFMAM) was a registered investment advisor under the Investment Advisers Act of 1940 (Advisers Act). Pursuant to its contracts with the Fund, PFMAM served as the investment adviser and administrator of the Fund through September 30, 2024. Effective October 1, 2024, PFMAM consolidated its investment management and administration accounts under its parent company, U.S. Bancorp Asset Management Inc. (USBAM). USBAM is also an investment adviser registered with the SEC under the Advisers Act. As a result of the consolidation, effective October 1, 2024, USBAM is the investment manager and administrator of the Fund and PFM Asset Management will continue to serve the Fund as a division of USBAM. Reference to Investment Manager herein refers to PFMAM through September 30, 2024 and USBAM from October 1, 2024 forward.

For its advisory services provided to the NLA Fund under the Management Agreement, the Investment Manager is paid a fee at an annual rate equal to 0.25% of the Fund's average daily net assets. Such fee is calculated daily and paid monthly.

PFM Fund Distributors, Inc. (PFMFD), an affiliate of the Investment Manager, was a member of the Financial Industry Regulatory Authority (FINRA) and Securities Investor Protection Corporation (SIPC). PFMFD served as the Fund's distributor through September 30, 2024. Effective October 1, 2024, PFMFD merged into its affiliate, U.S. Bancorp Investments, Inc. (USBI). USBI is an affiliate of USBAM and member of FINRA and SIPC. As a result of this merger, effective October 1, 2024, USBI is the Fund's distributor. Reference to Distributor herein refers to PFMFD through September 30, 2024 and USBI from October 1, 2024 forward. The Fund does not separately compensate the Distributor for these services.

Consulting Fees

The Fund has separate consulting agreements with the Nebraska Council of School Administrators (NCSA) and Nebraska Association of School Boards (NASB), referred to as the Consultants. Pursuant to these agreements, the Consultants, as representatives of the Fund, advise on applicable and pending state laws affecting the Fund, schedule and announce through their publications informational meetings and seminars at which representatives of the Fund will speak, provide mailing lists of potential Participants and permit the use of their logos. The Consultants are each paid a fee at an annual rate equal to 0.03% of the Fund's average daily net assets. Such fee is calculated daily and paid monthly.

Fee Deferral Agreements

The Fund has entered into separate Fee Deferral Agreements (each a Fee Deferral Agreement or, collectively, the Fee Deferral Agreements) with each Consultant and with the Investment Manager (each a Service Provider), pursuant to which each Service Provider individually may, but shall not be obligated to, temporarily waive a portion of its fees to assist the Fund in an attempt to maintain a positive yield. In the event that a Service Provider elects to initiate a fee deferral, such fee deferral shall be applicable to the computation of the NAV of the Fund on the business day immediately following the date on which the Service Provider gives notice to the Fund of the rate of the fee deferral to be applied in calculating the NAV. A fee deferral shall remain in effect until notice is provided to the Fund by the Service Provider regarding its intent to terminate its fee deferral or revise, upward or downward, the rate of its fee deferral.

Under the terms of the Fee Deferral Agreement with each Service Provider, at any time after a fee deferral has occurred, and if the monthly distribution yield of the Fund was in excess of 0.50% per annum for the preceding calendar month, the relevant Service Provider may elect to have the amount of its accumulated deferred fees recaptured in whole or in part under the conditions described in the Service Provider's Fee Deferral Agreement with the Fund by way of a payment of fees in excess of the rate it was entitled to, prior to any fee deferral, all as set forth in the respective Fee Deferral Agreement. In all cases, the total fees paid to each Service Provider in a given month, inclusive of the amount of any accumulated deferred fees to be recaptured, may not exceed 115% of the fees payable under the terms of each Service Provider's related agreement with the Fund. Any fees recaptured under the Fee Deferral Agreements may only be recaptured during the three-year period following the calendar month to which they relate.

The chart that follows depicts the cumulative fees voluntarily waived, reimbursed or deemed unrecoverable as of May 31, 2025, by the Investment Manager and each Consultant, under their respective Fee Deferral Agreements since their inception.

	Investment Manager	NCSA	NASB
Cumulative Fee Waivers	\$2,460,769	\$ 286,822	\$ 286,822
Amounts Reimbursed	(817,690)	(96,048)	(96,048)
Amounts Unrecoverable	(1,643,079)	(190,774)	(190,774)
Remaining Recoverable	\$ -	\$ -	\$ -

As of May 31, 2025, no remaining amounts remain recoverable by the Investment Manager or either Consultant pursuant to their respective Fee Deferral Agreement.

Other Fund Expenses

USBAM is a subsidiary of U.S. Bank, National Association (U.S. Bank). U.S. Bank serves as the Fund's custodian. During the year ended May 31, 2025, the Fund accrued banking fees to the Custodian totaling \$59,731, after factoring in \$4,468 of earnings credits on available cash balances, and \$15,992 of these fees remain payable by the Fund as of May 31, 2025.

The Fund pays expenses incurred by its Trustees and officers (in connection with the discharge of their duties), insurance fees for Trustees, audit fees, legal fees, rating fees and other operating expenses.

**Other
Information
(unaudited)**

Schedule of Investments (unaudited)

May 31, 2025

Rate ⁽¹⁾	Maturity Date ⁽²⁾		Principal	Fair Value ⁽³⁾
Government Agency and Instrumentality Obligations (50.75%)				
Fannie Mae Notes				
4.42%	6/17/25	.....	\$3,046,000	\$3,040,859
4.38%	11/7/25	.....	7,000,000	6,885,263
4.28%	12/10/25	.....	2,000,000	1,962,740
Fannie Mae Notes (Callable)				
4.28%	10/20/25	.....	6,800,000	6,705,572
Federal Farm Credit Bank Notes				
4.49% ⁽⁴⁾	6/27/25	.....	10,060,000	10,060,257
4.37% ⁽⁴⁾	7/2/25	.....	3,000,000	3,000,000
4.49% ⁽⁴⁾	9/15/25	.....	4,250,000	4,250,951
4.40% ⁽⁴⁾	9/23/25	.....	11,000,000	11,000,000
4.47% ⁽⁴⁾	11/10/25	.....	3,000,000	3,000,955
4.40% ⁽⁴⁾	11/17/25	.....	4,000,000	4,000,000
4.40% ⁽⁴⁾	12/17/25	.....	14,000,000	14,000,000
4.43% ⁽⁴⁾	12/26/25	.....	10,000,000	10,000,000
4.45% ⁽⁴⁾	1/8/26	.....	5,000,000	5,000,000
4.47% ⁽⁴⁾	2/12/26	.....	2,500,000	2,500,019
4.44% ⁽⁴⁾	2/23/26	.....	14,000,000	13,999,706
4.45% ⁽⁴⁾	3/6/26	.....	3,000,000	3,001,657
4.17%	4/10/26	.....	1,500,000	1,505,680
4.42% ⁽⁴⁾	5/15/26	.....	5,000,000	5,000,000
4.43% ⁽⁴⁾	6/3/26	.....	13,000,000	13,003,511
4.46% ⁽⁴⁾	6/16/26	.....	2,000,000	2,000,000
4.43% ⁽⁴⁾	7/17/26	.....	9,000,000	9,000,000
4.42% ⁽⁴⁾	8/7/26	.....	1,750,000	1,750,000
4.47% ⁽⁴⁾	8/12/26	.....	10,000,000	10,010,279
4.41% ⁽⁴⁾	8/24/26	.....	10,000,000	10,000,000
4.46% ⁽⁴⁾	8/28/26	.....	3,000,000	3,002,412
Federal Farm Credit Bank Notes (Callable)				
4.54%	7/22/25	.....	4,000,000	3,978,937
4.24%	10/21/25	.....	2,385,000	2,351,300
Federal Home Loan Bank Discount Notes				
4.29%	9/24/25	.....	10,000,000	9,864,811
Federal Home Loan Bank Notes				
4.80%	6/9/25	.....	2,900,000	2,898,949
4.36%	6/16/25	.....	2,875,000	2,870,732
4.33% ⁽⁴⁾	7/3/25	.....	12,000,000	12,000,000
4.49% ⁽⁴⁾	7/10/25	.....	38,000,000	38,003,888
4.49% ⁽⁴⁾	7/21/25	.....	10,000,000	10,001,370
4.34% ⁽⁴⁾	8/12/25	.....	25,000,000	25,000,000
4.42% ⁽⁴⁾	11/21/25	.....	13,000,000	13,000,000
4.30%	1/29/26	.....	11,000,000	10,999,502
4.42%	2/9/26	.....	7,000,000	7,000,000
3.98%	3/3/26	.....	2,000,000	1,954,813

The notes to the financial statements are an integral part of the schedule of investments.

Schedule of Investments (unaudited)

May 31, 2025

Rate ⁽¹⁾	Maturity Date ⁽²⁾		Principal	Fair Value ⁽³⁾
Federal Home Loan Bank Notes (Cont.)				
4.05%	3/5/26	.....	\$3,000,000	\$2,931,544
4.34%	3/6/26	.....	8,000,000	8,000,000
4.07%	3/27/26	.....	4,000,000	3,896,491
4.43% ⁽⁴⁾	4/2/26	.....	2,000,000	2,000,698
4.33%	4/14/26	.....	4,000,000	4,000,000
4.42% ⁽⁴⁾	7/23/26	.....	10,000,000	10,000,000
4.42% ⁽⁴⁾	11/6/26	.....	5,000,000	5,000,000
Federal Home Loan Bank Notes (Callable)				
4.29%	1/20/26	.....	5,000,000	4,884,216
4.13%	2/24/26	.....	4,585,000	4,475,157
Freddie Mac Bank Notes				
4.33%	6/25/25	.....	5,680,000	5,666,508
4.31%	7/21/25	.....	12,766,000	12,697,597
4.53%	8/15/25	.....	8,000,000	7,989,411
4.32%	9/22/25	.....	2,995,000	2,960,489
4.36%	9/23/25	.....	1,591,000	1,571,749
4.31%	9/24/25	.....	3,250,000	3,212,409
4.33%	9/30/25	.....	2,000,000	1,975,909
4.30%	9/30/25	.....	2,000,000	1,974,933
4.32%	9/30/25	.....	1,070,000	1,056,877
4.23%	10/27/25	.....	1,750,000	1,724,794
4.27%	12/30/25	.....	10,000,000	9,798,454
4.31%	2/19/26	.....	1,314,000	1,281,244
Freddie Mac Bank Notes (Callable)				
4.32%	8/1/25	.....	5,250,000	5,243,767
4.37%	10/15/25	.....	3,000,000	2,958,405
4.38%	10/27/25	.....	2,000,000	1,970,617
U.S. Treasury Bills				
4.25%	11/28/25	.....	10,000,000	9,792,000
U.S. Treasury Notes				
4.47% ⁽⁴⁾	10/31/25	.....	27,000,000	27,006,407
4.29%	11/30/25	.....	4,000,000	3,924,248
4.55% ⁽⁴⁾	1/31/26	.....	15,000,000	15,014,666
4.28%	1/31/26	.....	3,000,000	2,999,387
4.34%	3/15/26	.....	2,000,000	2,004,257
4.15%	3/31/26	.....	5,000,000	4,863,383
4.05%	4/30/26	.....	20,000,000	20,145,549
4.04%	5/31/26	.....	16,000,000	15,491,298
Total Government Agency and Instrumentality Obligations.....				506,116,627
Repurchase Agreements (46.01%)				
BNP Paribas SA				
4.35%	6/2/25	.....	70,700,000	70,700,000
(Dated 5/30/25, repurchase price \$70,725,629, collateralized by: Fannie Mae obligations, 3.51%-6.50%, maturing 6/1/31-5/1/55, fair value \$6,059,144; and Freddie Mac obligations, 2.09%-6.65%, maturing 6/1/50-5/1/55, fair value \$66,080,998)				

The notes to the financial statements are an integral part of the schedule of investments.

Schedule of Investments (unaudited)

May 31, 2025

Rate ⁽¹⁾	Maturity Date ⁽²⁾	Principal	Fair Value ⁽³⁾
BNP Paribas SA (Cont.)			
4.30%	6/5/25	\$15,000,000	\$15,000,000
(Dated 3/21/25, repurchase price \$15,136,167, collateralized by U.S. Treasury obligations, 0.00%-4.625%, maturing 3/15/26-8/15/53, fair value \$15,433,408)			
4.33%	6/9/25 ⁽⁵⁾	10,000,000	10,000,000
(Dated 5/13/25, repurchase price \$10,108,250, collateralized by: Fannie Mae obligations, 3.00%-6.95%, maturing 8/1/42-6/1/52, fair value \$71,040; and Freddie Mac obligations, 6.00%, maturing 5/2/55, fair value \$10,153,497)			
4.32%	6/9/25 ⁽⁵⁾	25,000,000	25,000,000
(Dated 5/13/25, repurchase price \$25,360,000, collateralized by U.S. Treasury obligations, 0.00%-4.75%, maturing 8/15/25-11/15/54, fair value \$25,561,250)			
BofA Securities, Inc.			
4.35%	6/2/25	129,300,000	129,300,000
(Dated 5/30/25, repurchase price \$129,346,871, collateralized by: Fannie Mae obligations, 2.00%-5.50%, maturing 6/1/51-12/1/53; and fair value \$107,539,084, Freddie Mac obligations, 6.00%, maturing 4/1/55, fair value \$24,394,725)			
4.31%	6/9/25 ⁽⁵⁾	9,000,000	9,000,000
(Dated 5/2/25, repurchase price \$9,064,650, collateralized by U.S. Treasury obligations, 0.00-3.625%, maturing 2/15/28-2/15/41, fair value \$9,214,071)			
Credit Agricole Corporate & Investment Bank (NY)			
4.33%	6/9/25 ⁽⁵⁾	8,000,000	8,000,000
(Dated 5/5/25, repurchase price \$8,042,338, collateralized by U.S. Treasury obligations, 4.50%, maturing 5/15/27, fair value \$8,187,520)			
4.33%	6/9/25 ⁽⁵⁾	6,000,000	6,000,000
(Dated 3/3/25, repurchase price \$6,077,218, collateralized by U.S. Treasury obligations, 4.50%, maturing 5/15/27, fair value \$6,187,080)			
4.32%	6/9/25 ⁽⁵⁾	20,000,000	20,000,000
(Dated 5/22/25, repurchase price \$20,146,400, collateralized by U.S. Treasury obligations, 4.375%, maturing 11/30/28, fair value \$20,426,993)			
Goldman Sachs & Co.			
4.31%	6/3/25	50,000,000	50,000,000
(Dated 5/27/25, repurchase price \$50,041,903, collateralized by: Fannie Mae obligations, 5.00%, maturing 8/1/48, fair value \$54,995; and Freddie Mac Obligations, 5.50%, maturing 9/1/53, fair value \$50,981,640)			

The notes to the financial statements are an integral part of the schedule of investments.

Schedule of Investments (unaudited)

May 31, 2025

Rate ⁽¹⁾	Maturity Date ⁽²⁾	Principal	Fair Value ⁽³⁾
Toronto Dominion Bank			
4.36%	6/2/25	\$115,800,000	\$115,800,000
(Dated 5/30/25, repurchase price \$115,842,074, collateralized by: Fannie Mae obligations, 6.00%, maturing 7/1/54, fair value \$40,971,397; and Freddie Mac obligations, 5.00%, maturing 8/1/52, fair value \$77,187,518)			
Total Repurchase Agreements.....			458,800,000
Total Investments (96.76%) (Amortized Cost \$964,916,627)			964,916,627
Other Assets and Liabilities, Net (3.24%)			32,284,952
Net Position (100.00%)			\$997,201,579

(1) Yield-to-maturity at original cost unless otherwise noted.

(2) Actual maturity dates, unless otherwise noted.

(3) See Note B to the financial statements.

(4) Adjustable rate security. Rate shown is that which was in effect at May 31, 2025.

(5) Subject to put with 7-day notice.

The notes to the financial statements are an integral part of the schedule of investments.



Trustees and Officers

Shane Rhian, Chairperson & Trustee

Chief Financial Officer
Omaha Public Schools

Dr. Liz Standish, Vice Chairperson & Trustee

Associate Superintendent
Lincoln Public Schools

Dr. Michael Dulaney, Secretary

Executive Director
Nebraska Council of School Administrators

Amy Poggenklass, Assistant Secretary

Finance and Membership Director
Nebraska Council of School Administrators

Chris Hughes, Treasurer & Trustee

Accounting Manager
Millard Public Schools

Drew Blessing, Trustee

School Board Member
Kearney Public Schools

Emily Burr, Trustee

Business Manager
Educational Service Unit #9

Erin Heineman, Trustee

Director of Business Operations
South Sioux City Community Schools

Jeremy Knajdl, Trustee

Business Manager
Minden Public Schools

Brandon Maly, Trustee

Associate Director of Accounting Services
Northeast Community College

Heather Shepard, Trustee

Chief Financial Officer
Elkhorn Public Schools

Viridiana Almanza Zavala, Trustee

Board Member, Subdistrict 8
Omaha Public Schools

Consultants

Nebraska Association of School Boards

John Spatz, Executive Director

Nebraska Council of School Administrators

Dr. Michael Dulaney, Executive Director

Service Providers

Investment Adviser & Administrator

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Custodian

U.S. Bank, N.A.

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